



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0629

Introduced 2/6/2007, by Rep. William B. Black

SYNOPSIS AS INTRODUCED:

220 ILCS 5/9-222.1

from Ch. 111 2/3, par. 9-222.1

Amends the Public Utilities Act. Authorizes the Department of Commerce and Economic Opportunity to establish by rule certain criteria for the certification of an exemption from certain additional charges added to the utility bills of a business enterprise that is located within an area designated by a county or a municipality as an enterprise zone under the Illinois Enterprise Zone Act or located in a federally-designated Foreign Trade Zone or Sub-Zone. Provides that any business enterprise that previously qualified for and received the exemption, but that was denied the exemption upon re-application, shall receive no more than one further exemption and shall only receive the exemption if it makes the level of capital investment or creates the number of full-time equivalent jobs expressly specified by the Department of Commerce and Economic Opportunity. Effective immediately.

LRB095 08930 MJR 29119 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by changing
5 Section 9-222.1 as follows:

6 (220 ILCS 5/9-222.1) (from Ch. 111 2/3, par. 9-222.1)

7 Sec. 9-222.1. Business enterprises located in enterprise
8 zones; exemption from additional charges.

9 (a) Except as provided in subsection (b), a ~~A~~ business
10 enterprise which is located within an area designated by a
11 county or municipality as an enterprise zone pursuant to the
12 Illinois Enterprise Zone Act or located in a federally
13 designated Foreign Trade Zone or Sub-Zone shall be exempt from
14 the additional charges added to the business enterprise's
15 utility bills as a pass-on of municipal and State utility taxes
16 under Sections 9-221 and 9-222 of this Act, to the extent such
17 charges are exempted by ordinance adopted in accordance with
18 paragraph (e) of Section 8-11-2 of the Illinois Municipal Code
19 in the case of municipal utility taxes, and to the extent such
20 charges are exempted by the percentage specified by the
21 Department of Commerce and Economic Opportunity in the case of
22 State utility taxes, provided such business enterprise meets
23 the following criteria:

1 (1) it either (i) makes investments which cause the
2 creation of a minimum of 200 full-time equivalent jobs in
3 Illinois; (ii) makes investments of at least \$175,000,000
4 which cause the creation of a minimum of 150 full-time
5 equivalent jobs in Illinois; or (iii) makes investments
6 which cause the retention of a minimum of 1,000 full-time
7 jobs in Illinois; and

8 (2) it is either (i) located in an Enterprise Zone
9 established pursuant to the Illinois Enterprise Zone Act or
10 (ii) it is located in a federally designated Foreign Trade
11 Zone or Sub-Zone and is designated a High Impact Business
12 by the Department of Commerce and Economic Opportunity; and

13 (3) it is certified by the Department of Commerce and
14 Economic Opportunity as complying with the requirements
15 specified in clauses (1) and (2) of this subsection
16 Section.

17 (b) A business enterprise that does not meet the criteria
18 in subsection (a), but that is located within an area
19 designated by a county or municipality as an enterprise zone
20 pursuant to the Illinois Enterprise Zone Act or located in a
21 federally-designated Foreign Trade Zone or Sub-Zone shall be
22 exempt from the additional charges added to the business
23 enterprise's utility bills as a pass-on of municipal and State
24 utility taxes under Sections 9-221 and 9-222 of this Act, to
25 the extent that those charges are exempted by ordinance adopted
26 in accordance with paragraph (e) of Section 8-11-2 of the

1 Illinois Municipal Code in the case of municipal utility taxes,
2 and to the extent those charges are exempted by the percentage
3 specified by the Department of Commerce and Economic
4 Opportunity in the case of State utility taxes, provided that
5 the business enterprise meets the following criteria:

6 (1) it either (i) makes investments that cause the
7 creation or retention of a minimum number of full-time
8 equivalent jobs in Illinois, as expressly specified by the
9 Department; or (ii) makes capital investments at a minimum
10 level, as expressly specified by the Department of Commerce
11 and Economic Opportunity; and

12 (2) it is either (i) located in an Enterprise Zone
13 established pursuant to the Illinois Enterprise Zone Act or
14 (ii) it is located in a federally designated Foreign Trade
15 Zone or Sub-Zone and is designated a High Impact Business
16 by the Department of Commerce and Economic Opportunity; and

17 (3) it is certified by the Department of Commerce and
18 Economic Opportunity as complying with the requirements
19 specified in clauses (1) and (2) of this subsection.

20 The amount of the exemption under this subsection may be
21 pro rated in accordance with the value of the economic impact
22 of the business enterprise's job creation or capital
23 investments on the enterprise zone.

24 (c) Notwithstanding any other provision of law to the
25 contrary, if a business enterprise that previously qualified
26 for and received an exemption under this Section is denied an

1 exemption upon re-application, it shall receive no more than
2 one further exemption. This exemption shall only be certified
3 by the Department of Commerce and Economic Opportunity and
4 awarded to the business enterprise if the business enterprise
5 makes the level of capital investment or creates the number of
6 full-time equivalent jobs as expressly specified by the
7 Department of Commerce and Economic Opportunity.

8 (d) The Department of Commerce and Economic Opportunity
9 shall determine the period during which such exemption from the
10 charges imposed under Section 9-222 is in effect which shall
11 not exceed 30 years or the certified term of the enterprise
12 zone, whichever period is shorter.

13 (e) The Department of Commerce and Economic Opportunity
14 shall have the power to promulgate rules and regulations to
15 carry out the provisions of this Section including procedures
16 for complying with the requirements specified in subsections
17 (a) and (b) ~~clauses (1) and (2) of this Section~~ and procedures
18 for applying for the exemptions authorized under this Section;
19 to define the amounts and types of eligible investments which
20 business enterprises must make in order to receive State
21 utility tax exemptions pursuant to Sections 9-222 and 9-222.1
22 of this Act; to approve such utility tax exemptions for
23 business enterprises whose investments are not yet placed in
24 service; and to require that business enterprises granted tax
25 exemptions repay the exempted tax should the business
26 enterprise fail to comply with the terms and conditions of the

1 certification. However, no business enterprise shall be
2 required, as a condition for certification under subsection (a)
3 or (b) under clause (3) of this Section, to attest that its
4 decision to invest under clause (1) of subsection (a) or (b)
5 ~~this Section~~ and to locate under clause (2) of subsection (a)
6 or (b) this Section is predicated upon the availability of the
7 exemptions authorized by this Section.

8 A business enterprise shall be exempt, in whole or in part,
9 from the pass-on charges of municipal utility taxes imposed
10 under Section 9-221, only if it meets the criteria specified in
11 clauses (1) through (3) of subsections (a) or (b) this Section
12 and the municipality has adopted an ordinance authorizing the
13 exemption under paragraph (e) of Section 8-11-2 of the Illinois
14 Municipal Code. Upon certification of the business enterprises
15 by the Department of Commerce and Economic Opportunity, the
16 Department of Commerce and Economic Opportunity shall notify
17 the Department of Revenue of such certification. The Department
18 of Revenue shall notify the public utilities of the exemption
19 status of business enterprises from the pass-on charges of
20 State and municipal utility taxes. Such exemption status shall
21 be effective within 3 months after certification of the
22 business enterprise.

23 (Source: P.A. 94-793, eff. 5-19-06.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.